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GUS-0094
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21 January 1959

MEMORANDUM FOR THE RECORD

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SUBJECT : Concurrence in Letter Contract No. HL-4646
[redacted] with The General Dynamics
Corporation (CONVAIR Division), Fort Worth,
Texas, Project GUSTO

1. This memorandum contains a recommendation submitted for approval of the Director of Central Intelligence. Such recommendation is set forth in Paragraph 5.

2. Letter Contract No. HL-4646 is being issued to CONVAIR, Fort Worth, Texas, for the procurement of initial studies, tests and preliminary designs of a high altitude, supersonic reconnaissance vehicle to replace the U-2. This initial phase of the work is expected to require four and one-half months of primarily engineering effort, the total cost of which is estimated to be [redacted]. The resulting definitive contract is expected to be a CPFF type. This work is being conducted simultaneously with that being performed by Lockheed on their design version. It is anticipated that upon completion of this portion of the program an evaluation will be held and a decision made to proceed with one of these contractors.

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3. Letter Contract No. HL-4646 obligates an amount of [redacted] to implement the program, chargeable to Fiscal Year 1959, Project GUSTO funds. By concurrence to this memorandum, the Comptroller signifies that sufficient funds are available for this additional obligation.

4. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956, which in effect results in all 10(b) expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 10(b) of Public Law 110, 81st Congress, for each contract.

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5. Approval of Letter Contract No. HL-4646 and execution thereof on behalf of the Agency by the authorized Contracting Officer is recommended.

RICHARD M. BISSELL, JR.
Deputy Director (Plans)

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CONCURRENCES:

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Contracting Officer, DPD

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Director of D and P, DPD

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Comptroller, DPD

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Office of General Counsel

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Approval requested in
Paragraph 5, granted.

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DIRECTOR OF CENTRAL INTELLIGENCE

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